# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

IN RE AUTOMOTIVE PARTS ANTITRUST LITIGATION	: Master File No. 12-md-02311 : Honorable Marianne O. Battani
ALL CASES	: : :
THIS DOCUMENT RELATES TO: ALL ACTIONS	— · : : : :

# THE PARTIES' REQUEST TO FILE CERTAIN PARTIES' STATEMENT REGARDING OBJECTIONS BY HONDA DEALERSHIPS REGARDING HONDA'S PRODUCTION OF DMS DATA UNDER SEAL PURSUANT TO LOCAL RULE 5.3

The Parties<sup>1</sup>, by their undersigned counsel, submit this Motion to File Certain Parties' Statement Regarding Objections by Honda Dealerships Regarding Honda's Production of DMS Data ("Statement") Under Seal Pursuant to Local Rule 5.3:

1. Documents that reveal "truly confidential information" constitute a recognized exception to the general right of public access to judicial records and are properly filed under seal. *See, e.g., LL NJ, Inc. v. NBC-Subsidiary (WCAU-TV), L.P.*, 2008 WL 1923261, at \*27 (E.D. Mich. 2008).

<sup>&</sup>lt;sup>1</sup> The Parties that join in this statement include End Payor Plaintiffs ("EPPs") Mitsuba Corporation and American Mitsuba Corp., Sanden International (USA), Inc., Bridgestone Corporation and Bridgestone APM Company, Calsonic Kansei Corporation and Calsonic Kansei North America, Inc. in *In re Automotive Parts Antitrust Litigation*, Master File No. 2:12-md-02311-MOB-MKM (E.D. Mich.), whose signature blocks appear *infra*. All docket numbers cited herein fall under *In re Automotive Parts Antitrust Litigation*, Master File No. 2:12-md-02311 (E.D. Mich.).

- 2. Here, Honda<sup>2</sup> has designated certain information as highly confidential. While the Parties take no position as to whether the information is truly confidential, a Protective Order requires information designated as confidential to be filed under seal and, therefore, the Parties seek to file their Statement, which cites and incorporate this information, under seal until such time as the Court determines whether or not the information is truly confidential.
- 3. Local Rule 5.3(b)(2) states that a motion or proposed stipulated order seeking such authorization must include the following: (1) the authority for sealing; (2) an identification and description of each item proposed for sealing; (3) the reason that sealing each item is necessary; (4) the reason that a means other than sealing is unavailable or unsatisfactory to preserve the interest advanced by the movant in support of the seal; and (5) a memorandum of legal authority supporting the seal. E.D. Mich. LR 5.3(b)(2)(A).
- 4. As to the first prong, the July 10, 2012 Stipulation and Protective Order Governing the Production and Exchange of Confidential Information ("Protective Order") provides authority for the sealing of the proposed pleading under Local Rule 5.3. Paragraph 7 of the Protective Order, entitled "Filing of Protected Information," states that "[a]ll documents, materials, or other information containing Confidential Information or Highly Confidential Information that are filed with the Court shall be filed under seal . . ." and consistent with Local Rule 5.3. See ECF No. 200. The Court maintains "supervisory power over its own records and files." Sami v. Detroit Med Ctr., 2012 WL 3945532, \*1 (E.D. Mich. Sept. 10, 2012), citing Nixon v. Warner Commc'ns Inc., 435 U.S. 589, 598 (1978). This authority includes fashioning orders that limit access to certain court documents. Sami, supra, citing Fed. R. Civ. P. 26(c). Honda

<sup>&</sup>lt;sup>2</sup> "Honda" includes American Honda Motor Company, Inc., Honda Manufacturing of Indiana LLC, Honda North America, Inc., Honda of America Mfg., Inc., Honda of South Carolina Mfg., Inc., Honda Precision Parts of Georgia, LLC, Honda R&D Americas, Inc., Honda Research Institute USA, Inc., and Honda Transmission Manufacturing of America, Inc.

claims that the testimony and information it has provided should be designated as highly confidential and/or highly confidential – outside attorneys' eyes only, and this constitutes authority to seal the brief. If Honda's designations are to be taken at face value, the information overcomes the presumption that documents should be filed in public because the interests of protecting Honda's confidential information outweighs the public's right to know. If the information is highly confidential, as Honda claims, the case law above demonstrates that it falls within one of the recognized exceptions to the general right of public access to judicial records and, therefore, constitutes authority for filing under seal.

- 5. As to the second prong, the Parties seek to file their Statement, including all exhibits, under seal. The Statement and exhibits contain Honda's data and information that Honda claims is confidential and, therefore, only Honda is in a position to justify the highly confidential designation. For purposes of this Motion, the Parties have taken Honda's claims of confidentiality at face value.
- 6. As to the third prong, assuming that Honda's highly confidential designations are accurate, it is necessary to seal the Statement and exhibits because they presumably contain highly confidential information, and the Parties are required to file such information under seal pursuant to the Protective Order. Otherwise, the information will be available to the public in contravention of the Protective Order and Honda's interest in protecting truly confidential information.
- 7. As to the fourth prong, there is no less onerous alternative to sealing the Statement and exhibits that would ensure the confidentiality of Honda's information. The Parties have a strong interest in utilizing the "highly confidential" or "highly confidential outside attorneys' eyes only" information in connection with their Statement. The only way to do so,

without a ruling from the Court that the information is not confidential, is to file the Statement and all exhibits under seal. Should the Court determine the information is not confidential, the Parties will re-file the Statement and all exhibits publicly.

- 8. As to the fifth and final prong, a memorandum of legal support is attached.
- 9. In support of this Motion, the Parties rely upon the accompanying memorandum of law which is incorporated by reference herein.

WHEREFORE, the Parties respectfully move the Court, pursuant to Local Rule 5.3, for an order allowing the Parties to file Certain Parties' Statement Regarding Objections by Honda Dealerships Regarding Honda's Production of DMS Data with all exhibits under seal.

Dated: March 10, 2017 Respectfully submitted,

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# UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

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THE PARTIES' MEMORANDUM OF LAW IN SUPPORT OF MOTION TO FILE CERTAIN PARTIES' STATEMENT REGARDING OBJECTIONS BY HONDA DEALERSHIPS REGARDING HONDA'S PRODUCTION OF DMS DATA UNDER SEAL PURSUANT TO E.D. MICH. LR 5.3

## I. INTRODUCTION AND BACKGROUND

The Parties seek to file their Statement and all exhibits under seal because they contain information that Honda has designated as highly confidential or highly confidential – outside attorneys' eyes only. The Parties take no position as to whether such information is actually confidential and should be precluded from public view. However, because a Protective Order requires the Parties to file documents designated as highly confidential under seal, the Parties are bringing this Motion to request an order permitting the Parties to file the Response under seal. Should the Court determine at a later date that the information should not be sealed, the Parties will re-file the Statements and all exhibits without sealing.

#### II. LAW AND ARGUMENT

Although judicial records are presumptively open to the public, this presumption may be overcome where "interests of privacy outweigh the public's right to know." In re Knoxville News-Sentinel Co., Inc., 723 F.2d 470, 474 (6th Cir. 1983). Thus, sealing judicial records may be justified "by a particularized special need for confidentiality, such as when trade secrets, national security, or certain privacy rights of trial participants or third parties are implicated." Encana Oil & Gas (USA), Inc. v. Zaremba Fam. Farms, Inc., No. 1:12-CV-369, 2012 WL 1377598, at \*1 (W.D. Mich. Apr. 19, 2012) (citing Brown & Williamson Tobacco Corp. v. F.T.C., 710 F.2d 1165, 1179 (6th Cir. 1983)), quoted in Cinpres Gas Injection Ltd. v. Volkswagen Group of Am., Inc., No. 12-CV-13000, 2013 WL 11319319, at \*1 (E.D. Mich. Feb. 14, 2013). See, e.g., U.S. v. Nallani, 11-CR-20365, 2016 WL 4138227, at \*3 (E.D. Mich. Aug. 3, 2016) (considering, in balancing the competing interests of access and privacy, whether the matter involves public parties or issues of legitimate public concern; the nature and degree of injury that will occur if the information is made public; the sensitivity of the information and the subject; the reliability of the information; and whether there will be an opportunity to respond to the information); see also Gookin v. Altus Capital Partners, Inc., CIV.A. 05-179-JBC, 2006 WL 782456, at \*2 (E.D. Ky. Mar. 23, 2006); accord Romero v. Drummond Co., 480 F.3d 1234, 1246 (11th Cir. 2005).

The Local Rules, and the case law thereunder, set forth the process for filing documents under seal. E.D. Mich. LR 5.3(b). Local Rule 5.3 provides that a court order is required to seal documents where, as here, no particular statute or rule authorizes such sealing. E.D. Mich. LR 5.3(b)(1). Local Rule 5.3(b)(2) states that a motion or proposed stipulated order seeking such authorization must include the following: (1) the authority for sealing; (2) an identification and description of each item proposed for sealing; (3) the reason that sealing each item is necessary;

(4) the reason that a means other than sealing is unavailable or unsatisfactory to preserve the interest advanced by the movant in support of the seal; and (5) a memorandum of legal authority supporting the seal. E.D. Mich. LR 5.3(b)(2)(A).

The Parties have identified the Protective Order as authority for this Court to enter an Order allowing the Parties to file their Statement with all exhibits under seal pursuant to Local Rule 5.3. Paragraph 7 of the Protective Order, entitled "Filing of Protected Information," states that "[a]ll documents, materials, or other information containing Confidential Information or Highly Confidential Information that are filed with the Court shall be filed under seal . . ." and consistent with Local Rule 5.3 See ECF No. 200. The Court maintains "supervisory power over its own records and files." Sami v. Detroit Med Ctr. , 2012 WL 3945532 at 1 (E.D. Mich. Sept. 10, 2012) citing Nixon v. Warner Commc'ns, Inc., 435 U.S. 589, 598 (1978). This authority includes fashioning orders that limit access to certain court documents. Sami, supra, citing Fed. R. Civ. P. 26(c).

Here, Honda has designated information that the Parties seek to utilize as "highly confidential" or "highly confidential – outside attorneys' eyes only." Documents that reveal trade secret business information, information that might harm a litigant's competitive standing, or other "truly confidential information" are all recognized exceptions to the general right of public access to judicial records and are properly filed under seal. *See, e.g., LL NJ, Inc. v. NBC-Subsidiary (WCAU-TV), L.P.*, 2008 WL 1923261, at \*27 (E.D. Mich. 2008); *Encana Oil & Gas (USA), Inc. v. Zaremba Family Farms, Inc.*, 2012 WL 1377598, at \*2 (W.D. Mich. 2012); *Wedgewood Ltd. Partnership I v. Township of Liberty*, 2007 WL 1796089, at \*3 (S.D. Ohio 2007). Further, commercially sensitive information, whose dissemination has the ability to harm a producing party's business standing has been held by other courts to be properly sealable.

Mars, Inc. v. JCM Am. Corp., 2007 WL 496816, \*2 (D.N.J. Feb. 13, 2007) ("Courts generally protect materials containing 'trade secret[s] or other confidential research, development, or commercial information' to prevent harm to a litigant's standing in the marketplace"); Network Appliance Inc. v. Sun Microsystems Inc., No., 07-CV-06053-EDL, 2010 WL 841274, \*2-5 (N.D. Cal. Mar. 10, 2010).

The Parties take no position as to whether the information is truly confidential, but if the Honda's designations are to be taken at face value, the information overcomes the presumption that documents should be filed in public because the interests of protecting the testimony from the amnesty applicants outweigh the public's right to know. If the information is highly confidential, as Honda claims, the case law above demonstrates that it falls within one of the recognized exceptions to the general right of public access to judicial records and, therefore, constitutes authority for filing under seal.

The Parties' Statement includes all of the criteria required under Local Rule 5.3(b) and the Motion at issue is not a dispositive motion, a motion for class certification, or a motion to dismiss or a complaint. This further militates against disclosure. No member of the public needs this information. Accordingly, the Parties should be permitted to file the Response under seal.

#### III. CONCLUSION

For the foregoing reasons, this Court should grant the Parties' Motion and permit the Parties to file their Statement and exhibits under seal pursuant to Local Rule 5.3.

Dated: March 10, 2017 Respectfully submitted,

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# **CERTIFICATE OF SERVICE**

I hereby certify that on March 10, 2017, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system which will send notification of such filing to ECF-registered counsel in this matter.

By: /s/ E. Powell Miller